to lending, toning up pre-lending supervision techniques, etc. Banks have also been advised to create a separate 'Recovery Cell' for a cluster of nearby branches for continuous and effective supervision and recovery.

(d) Government of India and Reserve Bank of India have kept rural credit under constant review during the last two years. A number of steps have been taken to revamp the rural credit delivery system. The banks are required to advance at least 18% of their net bank credit to agriculture. RBI has advised to all scheduled commercial banks to make every effort to achieve the stipulated target and sub-targets for lending to priority sector. RBI has also urged banks to draw up special credit plans to finance innovative and high tech agricultural projects with a view to achieving a distinct and marked improvement in flow of credit to agriculture in the financial year 1994-95. A series of measures have been initiated by RBI and National Bank for Agriculture and Rural Development (NABARD) to strengthen and revitalise Co-operative Banks and Regional Rural Banks.

Growth of Money Supply

2000. DR. B. B. DUTTA : Will the Minister of FINANCE be pleased to state :

(a) the growth of money supply during the last two years;

(b) whether Reserve Bank of India has fixed targets so far as growth of money supply is concerned;

(c) if so, targets set during the last three years; and

(d) how far these have been achieved ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) Money supply (M3) recorded growth rates of 15.7 per cent and 18.2 per cent in 1992-93 and 1993-94 respectively.

(b), (c) and (d) Reserve Bank of India set indicative targets for money supply (M3) growth at 13 per cent, 10.4 per cent and 14 per cent in 1991-92, 1992-93 and 1993-94 respectively. Money supply (M3) recorded growth rates of 19.3 per cent, 15.7 per cent and 18.2 per cent in these three years.

Capital Inflow

2001. DR. B. B. DUTTA : Will the Minister of FINANCE be pleased to state :

(a) whether large scale capital inflows have resulted in excessive money supply and the consequent pressure on prices; and

(b) if so, the details of steps taken to neutralise the impact of large scale capital inflows ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) During the current financial year up to November 25, 1994 money supply (M3) has registered a growth rate of 13.6 per cent which is higher than that of 10.8 per cent during the corresponding period of the last financial year. The higher growth rate in M3 is mainly attributable to much larger accretion to net foreign exchange assets of Reserve Bank of India in this financial year than in the last 36.3 per cent as against 27 per cent respectively because of larger capital inflows.

Larger monetary expansion in the current financial year appears to have generated an upward pressure on the general price level.

(b) Various measures taken to contain the pressure of large scale capital inflows on the money supply include, *inter alia*, (i) sale of dated securities and treasury bills to mop up excess liquidity in the system (ii) imposition of a Cash Reserve Ratio of 7.5 per cent on Foreign Currency (Non-Resident) Accounts (Banks) Scheme (iii) a reduction in the maximum rate of interest on deposits under Non-Resident External (Rupee) Accounts Scheme (iv) permission to repatriate interest accruing on Non-Resident and Non-Repatriable deposits and on Foreign Currency Ordinary Non-Repatriable deposits (v) making it mandatory for companies raising GDR issues to keep their funds abroad till they are actually needed for the purposes specified by the company and (vi) CRR was raised from 14 to 15 per cent for domestic demand and time liabilities.

Inflow/Outflow under NRI Deposit Schemes

2002. DR. B. B. DUTTA : Will the Minister of FINANCE be pleased to state :

(a) the details of inflows/outflows under various non-resident deposit schemes during the last two years;

(b) what is the response of NRIs to these schemes;

(c) whether Government propose to bring changes in these schemes; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (d) The response of NRIs to changes in various non-resident deposit schemes